

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

In re: Dowling College

Case No. 16-75545 (REG)
Reporting Period: 4/1/17 to 4/30/17

MONTHLY OPERATING REPORT

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit / Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	X		
Schedule of Professional Fees Paid	MOR-1b	X		
Copies of bank statements			Available upon request	
Cash disbursements journals			Available upon request	
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Post-petition Taxes	MOR-4	X		
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Post-petition Debts	MOR-4	X		
Listing of aged accounts payable	MOR-4	X		
Accounts Receivable Reconciliation and Aging	MOR-5	X		
Debtor Questionnaire	MOR-5	X		

See accompanying notes on following page.

Note:

The financial information provided in this Monthly Operating Report ("MOR") is provided based on the best information available, the source of which is unaudited and untested. If the books and records were audited or tested further, the information provided may differ from that presented in this MOR, possibly by material amounts.

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date

 Signature of Authorized Individual*

 5/9/17

 Date

Robert S. Rosenfeld

Date

Printed Name of Authorized Individual

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

In re:

DOWLING COLLEGE

Chapter 11

Case No. 16-75545 (REG)

Debtor.

**GLOBAL NOTES REGARDING
DEBTOR'S MONTHLY OPERATING REPORT**

This Monthly Operating Report ("MOR") has been prepared solely for the purpose of complying with the monthly reporting requirements applicable in this chapter 11 case and is in a format acceptable to the United States Trustee. The financial information contained in the MOR is preliminary and unaudited, and as such may be subject to revision. The information in the MOR should not be viewed as indicative of future results.

The accompanying Preliminary Unaudited Financial Statements of Dowling College have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America using information from the Debtor's accounting sub ledger and general ledger systems.

While Debtor's management has made reasonable efforts to ensure that the MOR is accurate and complete, based upon information that was available to them at the time of preparation, subsequent information may result in material changes to the MOR. Moreover, because the MOR contains unaudited information, which is subject to further review and potential adjustment, there can be no assurance that this MOR is complete. The Debtor reserves all rights to amend the MOR from time to time, in all respects, as may be necessary or appropriate. These global notes regarding the Debtor's MOR ("Global Notes") comprise an integral part of the MOR and should be referred to and considered in connection with any review of the MOR.

Specific Notes.

Endowment Funds. Temporarily restricted net assets consist of various donor-restricted amounts for academic programs, scholarships, and revenue for future periods (i.e., contributions receivable and accumulated gains on endowment funds). Permanently restricted net assets represent endowment corpus, which provides investment income principally for scholarships. Dowling's endowment consists of approximately 55 individual funds established for a variety of purposes, including donor-restricted endowment funds.

Dowling's management and investment of donor-restricted endowment funds is subject to the provisions of New York Prudent Management of Institutional Funds Act (NYPMIFA). Pursuant to the investment policy approved by the board of trustees of Dowling, Dowling has interpreted NYPMIFA as allowing it to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund, as Dowling deems prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. As a result of this interpretation, Dowling records the remaining portion of the donor-restricted endowment fund that is not permanently restricted, as temporarily restricted until those amounts are appropriated for expenditure in a manner consistent with the standards of prudence prescribed by NYPMIFA.

Levied Bank Accounts. Prior to the Petition Date, the Debtor's funds on deposit at TD Bank, NA (approximately \$506,000) that were included in 4 separate bank accounts were removed from the accounts and placed in separate holding accounts by TD Bank, NA in accordance with its internal procedures and following receipt of certain Restraining Notices served pursuant to NY CPLR Section 5222(b) filed by certain prepetition judgment creditors. Included in these restrained funds may have been certain restricted funds. Consistent with the Final Cash Management Order referred to above, the Debtor is in the process of evaluating the restrictions on these funds. The Debtor has made written demand for turnover of these funds from TD Bank, NA. In February 2017, TD Bank reinstated three of the levied accounts to their pre-levied balances in the original bank accounts from where the funds were removed. For the fourth account, TD Bank remitted a check to the Debtor in the amount of the pre-levied balance. Upon receipt of these funds, the Debtor transferred these funds to four new DIP accounts maintained at Signature Bank in the same amounts and titles of the accounts that were maintained at TD Bank.

Sale of Residential Properties. Pursuant to Court Order, during December 2016, January 2017, and April 2017 the Debtor sold 9 residential properties located near the Oakdale, Long Island Campus. In accordance with the Court Order, the net proceeds (after closing costs and realtor commissions relating to these sales) were paid directly to the secured lender that held the lien on these properties. Following is a summary of the funds relating to these sales:

		# of sales	Total Sales Price	Cost of Sales (1)	Paid to Secured Lender
2016	December	5	1,594,500.00	78,048.53	1,516,451.47
2017	January	3	1,143,000.00	30,271.63	1,112,728.37
2017	April	1	610,000.00	29,457.51	580,542.49
		9	3,347,500.00	137,777.67	3,209,722.33

(1) Includes realtor commissions and other closing costs.

Since the proceeds and costs relating to the sales did not flow through the Debtor's bank accounts, the Debtor has included a column in schedule MOR-1 that reports the cash flow relating to these sales. The single transaction that occurred in April 2017 has been included in the Debtor's April 2017 MOR.

Self-Insured Medical and Dental benefit plan. The Debtor maintained self-insured employee medical and dental benefit plans (the "Health Plans"). Under the provisions of the Health Plans, two third party administrators, CIGNA and Health Plex, provided claims processing and administrative functions, for the Medical and Dental coverage, respectively. Upon the closing of the Debtor's operations in June 2016, this Health Plan was terminated. The U.S. Department of Labor is in the process of evaluating the outstanding unpaid claims under these Health Plans. As of the Petition Date, the Debtor was unable to quantify the total amount of claims to be potentially asserted in relation to the termination of the Health Plans due to, among other reasons, the fact that many claims may be unqualified for coverage or disallowed under the Health Plan. In addition, the Debtor's, former third party administrators ("TPA's") of the Health Plans have stated that they will not agree to process the associated claims. Finally, the Debtor is presently unable to determine which parties actually hold the claims for monetary loss associated with the Health Plans termination, if any. Until further analysis can be performed, the Debtor has disclosed this issue herein, without quantification of the amounts due.

Rent Receivable

Brookhaven Residential Village

Shirley, Long Island Campus Dorm – The Debtor currently leases out its dorm located on its Shirley campus to SUNY – Stony Brook ("Stony Brook"). The lease provides for a rental charge per semester based on a rental rate applied to a minimum guaranteed number of beds occupied. The rental amounts is subject to further increases based on actual beds occupied during a certain period during the semester. The Debtor is responsible for paying for operating expenses of maintaining the dorm. The lease is due to expire after the second semester of 2017. The Debtor is exploring extension of the lease for future periods with Stony Brook. Under the terms of the lease agreement the Debtor billed the tenant for an initial billing on February 15, 2017, based on the minimum number of beds occupied, plus a \$40,000 damage deposit to be returned to Stony Brook at the end of the semester if not utilized. The total amount billed to Stony Brook on February 15th was approximately \$563,000. This amount was reduced by Stony Brook by approximately \$79,000, due to the Debtor's obligation to pay for mandatory fire law improvements on the dorm. On February 28, 2017, Stony Brook mailed its rent payment of approximately \$484,000 (including the \$40,000 damage deposit) to UMB, as Trustee of the bonds issued on the Shirley dorm and as Agent for the debtor-in-possession financing. The UMB Trustee deposited the rent check in its accounts and applied the same as against the amount owed under the applicable financing. Under the terms of the interim DIP financing arrangement, proceeds received from rent payments would be required to be used as a mandatory paydown based on a waterfall formula prescribed in the DIP Financing Agreement.

During March 2017, UMB remitted the \$40,000 damage deposit back to the Debtor as these funds are to be held by the Debtor for the benefit for Stony Brook. The funds are currently maintained in a tenant security deposit account at Capital One Bank.

Oakdale Residential Houses - Tenant Receivables

As of April 30, 2017, the Debtor maintained 9 houses that were occupied by holdover tenants under what were most recently month to month lease arrangements. During the liquidation process, the Debtor has determined that it will need to vacate the holdover tenants occupying these houses in order to maximize the liquidation value of the same. As landlord, the Debtor has commenced the process of vacating the holdover tenants in these properties.

Student Receivables

The Debtor continues to evaluate the collectability of its receivables due from former students of the College. The Debtor's balance sheet may not reflect the ultimate realization experience of such receivable balances. The Debtor continues to explore ways to maximize value of these receivables.

Pending Litigation

The Debtor is subject to lawsuits and claims that arise out of its operations in the normal course of business. The Debtor is a defendant in various litigation matters, some of which involve claims for damages that are substantial in amount. The Debtor believes it has meritorious defenses to the claims made and intends to contest the claims vigorously. Currently, the Debtor is unable to express an opinion as to the likely outcome of this litigation; therefore, as required by authoritative accounting guidance, no liabilities are reflected in the accompanying unaudited financial statements related to these claims. An unfavorable outcome could have a materially adverse effect on the Debtor's financial position and results of operations.

In re: Dowling College
Schedule of Cash Receipts and Disbursements

MOR-1

CASE NO. 16-75545 (REG)

REPORTING PERIOD: MARCH 2017

	BANK ACCOUNTS											
	Signature - Operating - 5448	Signature - TL A- 5456	Signature-TL B- 5464	Signature - TL C- 5472	Signature - TL D- 5480	Signature-Flex Spending Acct- 3912 (1)	Signature - Student Activity Acct - 3947 (1)	Signature-Sewage Treatment Replacement Acct- 3920 (1)	Signature-Sewage Treatment Reserve Acct - 3939 (1)	Capital One-6182 (2)	US Bank -1467 (1)	Cash Activity occurring through UMB through Residential Sales (3)
CASH BEGINNING OF PERIOD	\$ 32,860	\$ 37,154	\$ 18,193	\$ 742	\$ 59,561	\$ 16,157	\$ 368,199	\$ 60,516	\$ 60,560	\$ 78,919	\$ 279,393	\$ -
RECEIPTS												
Cash Receipts												
Net Transfers From/(To) Accounts	540,193	(176,684)	(45,797)	(17,160)	(300,552)							
DIP Funding		171,683	31,416	19,000	297,623							
Proceeds from sale of real estate												604,942
Receipt of security deposits from tenants												
Voided checks												
Other												(600)
Total Receipts	\$ 540,193	\$ (5,001)	\$ (14,381)	\$ 1,840	\$ (2,929)	\$ -	\$ -	\$ -	\$ -	\$ (600)	\$ -	\$ 604,942
DISBURSEMENTS												
Payroll & Benefits	44,941											
Telephone and cable	8,359											
Outside Services	13,475											
Landscaping & Snow Removal	14,675											
Utilities	66,401											
Security	69,969											
Fire & Safety	4,651											
Repairs & Maintenance	23,185											
Insurance	35,058											
Chemical Removal												
Waste Removal	1,955											
Sewage Treatment	5,125											
Property Taxes												
Permits & licenses												
Payroll Processing	293											
Union Benefits	321											
Computer expense												
Office Supplies	2,713											
Finance Fees	9,000											
Debt Paydowns												580,542
Retained Professionals	57,655											
Claims Noticing Agent	51,618											
Interim Management-CRO	110,347											
Bank Charges												
Storage	1,615											
Other	1,336											
Return of Tenant security deposits												
Real estate cost of sales												24,400
US Trustee Fees	13,000											
Other Bankruptcy Related Charges	4,500											
Total Disbursements	\$ 540,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 604,942
Net Cash Flow	\$ 0	\$ (5,001)	\$ (14,381)	\$ 1,840	\$ (2,929)	\$ -	\$ -	\$ -	\$ -	\$ (600)	\$ -	\$ -
Cash - End Of Period⁽⁴⁾	\$ 32,860.10	\$ 32,152.84	\$ 3,811.78	\$ 2,583	\$ 56,632	\$ 16,157	\$ 368,199	\$ 60,516	\$ 60,560	\$ 78,320	\$ 279,393	\$ -

(1) Debtor is currently investigating if these funds are restricted.

(2) Bank accounts maintained for tenant security deposits.

(3) Pursuant to Court Order, proceeds from the sale of the Debtor's residential real estate located in Oakdale, NY were paid directly to the secured lender that held the liens on these properties.

Since the funds were paid directly to the lender and third parties, no funds related to these transactions flowed through the Debtor's bank accounts.

In re: Dowling College
Schedule of Cash Receipts and Disbursements

MOR-1

CASE NO. 16-75545 (REG)

REPORTING PERIOD: MARCH 2017

	CURRENT PERIOD	CUMULATIVE FILING TO DATE
	ACTUAL	ACTUAL
CASH BEGINNING OF PERIOD	\$ 1,012,256	\$ 1,045,272
RECEIPTS		
Cash Receipts	-	581,411
Net Transfers From/(To) Accounts	-	(0)
DIP Funding	519,722	2,681,400
Proceeds from sale of real estate	604,942	3,342,442
Receipt of security deposits from tenants	-	-
Voided checks	-	7,136
Other	(600)	26,434
Total Receipts	\$ 1,124,065	\$ 6,638,823
DISBURSEMENTS		
Payroll & Benefits	44,941	263,542
Telephone and cable	8,359	84,277
Outside Services	13,475	20,684
Landscaping & Snow Removal	14,675	76,243
Utilities	66,401	378,249
Security	69,969	403,861
Fire & Safety	4,651	59,703
Repairs & Maintenance	23,185	85,226
Insurance	35,058	208,615
Chemical Removal	-	41,501
Waste Removal	1,955	6,745
Sewage Treatment	5,125	16,915
Property Taxes	-	87,763
Permits & licenses	-	484
Payroll Processing	293	3,664
Union Benefits	321	3,208
Computer expense	-	1,074
Office Supplies	2,713	2,713
Finance Fees	9,000	116,000
Debt Paydowns	580,542	3,758,283
Retained Professionals	57,655	287,556
Claims Noticing Agent	51,618	106,690
Interim Management-CRO	110,347	429,932
Bank Charges	-	1,012
Storage	1,615	14,279
Other	1,336	9,704
Return of Tenant security deposits	-	23,437
Real estate cost of sales	24,400	198,988
US Trustee Fees	13,000	17,875
Other Bankruptcy Related Charges	4,500	24,686
Total Disbursements	\$ 1,145,136	\$ 6,732,911
Net Cash Flow	\$ (21,071)	\$ (94,088)
Cash - End Of Period⁽⁴⁾	\$ 991,185	\$ 951,184

In re: Dowling College
Bank Reconciliations

CASH AND MARKETABLE SECURITIES								
	Signature - Operating - 5448	Signature - TL A- 5456	Signature-TL B- 5464	Signature - TL C- 5472	Signature - TL D- 5480	Capital One-6182 (2)	Signature-Flex Spending Acct- 3912	Signature - Student Activity Acct - 3947
Balance Per Bank	\$ 191,379	\$ 32,153	\$ 3,812	\$ 2,583	\$ 56,632	\$ 78,320	\$ 16,157	\$ 368,199
Deposits in Transit	-	-	-	-	-	-	-	-
Outstanding Checks and Charges		(158,519)						
Other (List)	0	-	-	-	-	-	-	-
Balance per Books	32,860	32,153	3,812	2,583	56,632	78,320	16,157	368,199

See Notes on MOR-1

In re: Dowling College
Bank Reconciliations

	Signature-Sewage Treatment Replacement Acct- 3920	Signature-Sewage Treatment Reserve Acct - 3939	US Bank -1467 (1)	Total
Balance Per Bank	\$ 60,516	\$ 60,560	\$ 279,393	\$ 1,149,703
Deposits in Transit				\$ -
Outstanding Checks and Charges				\$ (158,519)
Other (List)				\$ 0
Balance per Books	60,516	60,560	279,393	991,184

See Notes on MOR-1

In re: Dowling College

MOR-1b
Case No. 16-75545 (REG)
Reporting Period: 4/1/17 to 4/30/17

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

This schedule is to include all retained professional payments from case inception to current month.

In re: Dowling College

MOR 2

Case No. 16-75545 (REG)
Reporting Period: 4/1/17 to 4/30/17

STATEMENT OF OPERATIONS

(Income Statement)

UNAUDITED

	April 2017	CUMULATIVE FILING TO DATE
Income		
Rental Income	\$ 135,888	\$ 350,099
Charges on Student billing	847	3,602
Total Income	136,735	353,701
 Expenses:		
Gross Payroll	41,820	230,426
Bank Charges	-	1,321
Brookhaven Dorm Maintenance	7,578	28,544
Employee Benefits	-	51
Environmental - Phase I	-	2,500
Fire & Safety Maintenance	4,741	52,568
Licenses & Permits	60	544
Payroll Tax Expense	3,178	17,754
Real Estate Taxes	14,627	164,948
Repair & Maintenance	14,493	37,529
Security	69,879	356,535
Sewage Treatment	5,225	9,886
Telephone & Cable	9,049	35,732
Union Dues	264	2,613
Offfce Supplies	2,713	3,194
Computer Supplies	-	1,074
Electric/Gas	12,828	301,089
Fuel Oil	968	11,664
Water	(447)	5,768
Insurance Expense	35,058	157,574
Waste Removal	1,955	5,670
Snow Removal	11,900	54,605
Grounds Maintenance	2,775	9,738
Chemical Waste Removal	-	39,001
Payroll Processing	293	3,378
Storage	(9,985)	2,360
Taxes & Licenses	-	315
Misc. Expense	1,607	2,688
Outside services	8,316	11,207
Temporary Help	5,747	9,005
Total Expense	244,642	1,559,279
Net Ordinary Income	(107,907)	(1,205,578)
 Other Income:		
Gain on Sale of Resid. Houses	580,542	2,805,331
Marketing cost on sale of real estate		(66,268)
Interest & Dividends Earned	814	1,866
Change in Unrealized Gain/Loss	-	119,903
Miscellaneous Income		5,133
Total Other Income	581,357	2,865,966

In re: Dowling College

MOR 2

Case No. **16-75545 (REG)**
 Reporting Period: **4/1/17 to 4/30/17**

STATEMENT OF OPERATIONS

(Income Statement)

UNAUDITED

	April 2017	CUMULATIVE FILING TO DATE
Other Expense		
Professional Fees - Chapter 11	179,469	741,016
Claims Noticing Agent	48,038	161,690
Bankruptcy Advertising Costs	4,500	24,686
US Trustee Fees	13,000	17,875
Site Planner Consulting expense	2,448	41,689
Financing Fees	-	120,058
Bond Agent Administration expense	10,108	13,546
Interim Management-CRO	100,232	416,682
Total Other Expense	357,795	1,537,242
Net Other Income	223,562	1,328,724
Net Income	\$ 115,655	\$ 123,146

See Notes to Financial Statements.

MOR 3

In re: Dowling College

Case No. 16-75545 (REG)
Reporting Period: April 30, 2017

BALANCE SHEET

UNAUDITED

	As of
Current Month	Filing Date

ASSETSCurrent Assets

Cash and cash equivalents	\$ 1,098,508	\$ 1,045,272
Rent Receivable	107,650	64,105
Accounts Receivable-Other	165,907	165,907
Pledges Receivable	1,798,341	1,798,341
Prepaid Expense	632,055	753,091
Prepaid Retainers	48,520	258,659
Student Receivables-net of allowance	752,379	848,807
Total Current Assets	4,603,360	4,934,183
Plant assets, net	48,715,407	49,102,183

Other Assets

Closing Costs - Bonds	2,279,438	2,279,438
Perkins Loans Receivable	1,904,197	1,962,610
Investments	5,857,959	5,789,365
Deposits	36,500	36,500
Total Other Assets	10,078,093	10,067,913
Total Assets	\$ 63,396,860	\$ 64,104,279

LIABILITIES & EQUITYLiabilities - Not Subject To Compromise

Accounts Payable	\$ 69,967	\$ -
Accrued Expenses-other	104,500	-
Accrued Professional Fees	589,527	-
Deposits Payable	-	-
Deferred Rental Income	72,698	
DIP Financing- Post petition loans:		
DIP-Term Loan A	1,052,696	-
DIP-Term Loan B	204,194	-
DIP-Term Loan C	167,530	-
DIP - Term Loan D-Admin	1,256,980	-
Total DIP Financing- Post petition loans	2,681,400	-
Total Liabilities-Not Subject to Comp	3,518,092	-

Liabilities-Subject to Compromise

Accounts Payable	3,977,628	3,909,307
Accrued Expenses	5,083,140	5,083,140
Other payables	91,000	91,000
Deferred Rental Income	80,491	80,491
Tenant Security Deposit Payable	78,270	62,308
Perkins A/P	1,774,657	1,774,874
Total Bonds Payable-Subject to Compromise	50,135,253	53,853,537
Total Liabilities subject to compromise	61,220,439	64,854,657
Total Liabilities	64,738,531	64,854,657
 Fund Balance	 (1,341,671)	 (750,379)
Total Liabilities and Equity	\$ 63,396,860	\$ 64,104,279

See Notes to Financial Statements.

In re: Dowling College

MOR-4

Case No. 16-75545 (REG)

Reporting Period: 4/1/17 to 4/30/17

STATUS OF POSTPETITION TAXES

Federal	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No.	Ending Tax Liability
Withholding						
FICA-Employee	No payroll tax liability. Gross payroll amount is remitted to the Payroll Service Company for the payment to the appropriate taxing authority.					
FICA-Employer						
Unemployment						
Income					\$	-
Other						-
Total Federal Taxes	\$ -	\$ -	\$ -		\$	-
State and Local						
Withholding	See Note Above					
Sales & Use					\$	-
State Income Tax						-
Excise						-
Unemployment						-
Real & Personal Property						-
Other						-
Total State and Local	-	-	-			-
Total Taxes	\$ -	\$ -	\$ -		\$	-

SUMMARY OF UNPAID POSTPETITION DEBTS (1)

Attach aged listing of accounts payable.

Number of Days Past Due	Current	0-30	31-60	61-90	Over 90	Total
Accounts Payable (2)	\$ 69,967					\$ 69,967
Wages Payable						-
Taxes Payable						-
Rent/Leases - Building						-
Rent/Leases - Equipment						-
Secured Debt/Adequate Protection Payments	2,681,400					2,681,400
Professional Fees (3)	589,527					589,527
Amounts due to Insiders*						-
Other - Accruals and deposits payable	104,500					104,500
Total Postpetition Debts	\$ 3,445,394	\$ -	\$ -	\$ -	\$ -	\$ 3,445,394

(1) Excludes liabilities recorded for deferred income or other accounting recognition adjustments.

(2) Includes consultants, such as site planner and claims servicer retained through bankruptcy court and fees subject to court order payment procedures.

(3) Subject to court order payment procedures.

* "Insider" is defined in 11 U.S.C. Section 101(31).

In re: Dowling College

MOR-5

Case No. 16-75545 (REG)

Reporting Period: 4/1/17 to 4/30/17

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation		
Net Accounts Receivable at the beginning of the reporting period		\$ 848,807
+ Amounts billed during the period		
- Amounts collected during the period		\$ 96,428
- Allowances, Reserves & Write-Offs		
Net Accounts Receivable at the end of the reporting period		\$ 752,379
Accounts Receivable Aging (Gross)		
0 - 30 days old		
31 - 60 days old		
61 - 90 days old		
91+ days old		\$ 3,387,897
Adjustments & Write-Offs		
Total Accounts Receivable (Gross)		
- Unapplied Cash		
- Bad Debt Reserve		\$ 6,207,557
- Sales Return Reserve		
- Sequester Reserve		
- Contractual Allowances		
+ Other AR Activity		
Accounts Receivable (Net)		\$ 9,595,454

Note: The Accounts Receivable includes many small balances due from former students dating back to when the College was operating. The Debtor continues to evaluate these receivables and determine the net realizability of such accounts.

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below	X	
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.	X	
3. Have all post petition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s).		X

(1) During April, the Debtor sold 1 residential property for net proceeds of approximately \$605,000. Pursuant to Court Order, the proceeds were paid directly to the secured lender which held liens on those properties.